

APPROVED

November 2, 2004

Michigan State Administrative Board

Lansing, Michigan

October 5, 2004

A regular meeting of the State Administrative Board was held in the 1921 Department of Conservation Conference Room, 7th Floor, Mason Building, on Tuesday, October 5, 2004, at 11:00 a.m.

Present: Kelly Keenan, Chief Counsel, representing Jennifer M. Granholm, Governor, Chairperson
Kristie Profit, Policy Advisor, representing John Cherry, Lt. Governor
Patrick F. Isom, Assistant Attorney General, representing Michael A. Cox, Attorney General
Mary G. MacDowell, Director of the Financial Services Bureau, representing Jay B. Rising, State Treasurer
Joseph Pavona, Director, Bureau of Administrative Services, representing Terri Lynn Land, Secretary of State
Jean Shane, Special Assistant, representing Thomas D. Watkins, Superintendent of Public Instruction
Myron Frierson, Deputy Director, Finance and Administration, representing Gloria Jeff, Director, Department of Transportation
Sherry Bond, Secretary

Others Present:

Melissa Christianson, Daphne Johnson, Department of Attorney General;
Sergio Paneque, Executive Office; Cyrell Baldwin, Department of Environmental Quality; Bob Johnson, Jim Smiertka, Department of Labor and Economic Growth; James Burris, Tony DesChenes, Pat Mullen, Debbie Roberts, Janet Rouse, Department of Management and Budget; Jean Ingersoll, Pam Lavender, Randy Knapp, Darby Schlagheck, Department of Transportation; Brandon Dillon, Senator Barcia's Office; Katherine Nielsen, Senator Rivet's Office; Art Dore, Dore & Associates Contracting; Frank Nemecek, Friends of the Book-Cadillac Hotel; Roger Homrich, Renee Miller, Homrich, Inc.; Ellen Thackery, Michigan Historical Preservation Network; Francis Grunow, Pres. Wayne

1. CALL TO ORDER:

Mr. Keenan called the meeting to order and led the Pledge of Allegiance to the Flag.

2. READING OF MINUTES OF PRECEDING MEETING AND APPROVAL THEREOF:

Mr. Pavona moved to approve the minutes of the State Administrative Board for the regular meeting of September 21, 2004. The motion was supported by Ms. MacDowell and unanimously adopted.

3. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

Mr. Keenan announced there would be a three-minute time limit on each person's comments.

Art Dore, Chairman of Dore and Associates Contracting, stated Dore bid on the demolition of the former Statler Hilton Hotel. They were the low bidder by several thousand dollars but did not provide a Certificate of Awardability at bid opening. All of their documents were at the Department of Civil Rights for processing and the Certificate of Awardability was faxed to DMB three hours after bid opening. In the past, the State has awarded contracts to the lowest bidder when they have not provided a Certificate of Awardability with the bid. The first time was in June and he has made a Freedom of Information Act request regarding the second time. He believes this has happened several more times. In June, the Department of Environmental Quality hired a professional project manager. When the professional got bids in, the low bidder provided no Certificate of Awardability. The professional marked the bid as non-responsive, but the Department of Environmental Quality said the low bidder had applied for their Certificate of Awardability and to give them the job. Mr. Dore said Dore and Associates Contracting was the second low bidder on that job.

Renee Miller of Homrich, Inc. said she had no information on the circumstances of Dore's bid, but Homrich was the second low bidder. Bidders sign their bid and agree to follow all the rules. That means they have included all the information required and if they haven't, then the bid may be awarded to the next lower bidder. In the past, Homrich has submitted a bid with no proof of workers compensation coverage and the award went to the next low bidder. Ms. Miller said she trusts this award will be to a company that follows the rules and regulations and the same thing that is happening to Dore has happened to others. Then Ms. Miller asked the Board to award the contract to Homrich.

Mr. Dillon said he was here for Senator Barcia on behalf of Dore and Associates Contracting. He asked the Board to consider the precedents set in the past with no Certificate of Awardability. He also said Dore's application was pending and asked the Board to be consistent.

Mr. Frank Nemecek of the Friends of the Book-Cadillac said he did not want to demolish the former Statler Hilton Hotel. He said the Friends of the Book-Cadillac have filed a lawsuit to block demolition. Their lawsuit is about seven areas in which the City of Detroit violated rules and the City has not disputed their allegations. Mr. Nemecek asked the Board to table the pending demolition contract until after resolution of the litigation and that to overlook the wrongdoings would be an illegality.

Mr. Keenan said the Board relies on advice of counsel and will follow that advice in this matter.

Mr. Pavona asked whether there was anyone at the meeting who could provide any information regarding the Certificate of Awardability issue.

Pat Mullen of Infrastructure Services said when Dore's bid was opened it was reviewed for a Certificate of Awardability. DMB called the Department of Civil Rights to verify there was no Certificate of Awardability in effect. Since there was no Certificate of Awardability, the bid was marked non-responsive.

Mr. Pavona asked if there had ever been an award to a vendor with no Certificate of Awardability.

Mr. Mullen said once there was a contract with one bidder who provided no Certificate of Awardability so it was re-bid. They still got only one bidder so they let that bidder get a Certificate of Awardability. That happened a year ago and over the last year there have been over 700 contracts awarded with no waivers of the Certificate of Awardability. Mr. Mullen said they don't do waivers.

Mr. Pavona asked if that was noted in the bid packets.

Mr. Mullen said it is noted in the bid packets.

Mr. Keenan asked if as part of the legal process the Friends of the Book-Cadillac had enjoined the State of Michigan.

Mr. Mullen said the State had not been enjoined.

Mr. Keenan said if there was no one else wishing to speak, we would proceed with the agenda.

4. COMMUNICATIONS:

NONE

5. UNFINISHED BUSINESS:

NONE

6. NEW BUSINESS:

Retention and Disposal Schedule(s):

GENERAL SCHEDULE # 7, Local Health Departments, 9/7/2004

LEGISLATIVE COUNCIL, Council Administrator, 9/14/2004

DEPARTMENT OF STATE

Bureau of Elections Disclosure Division, 8/31/2004

Bureau of Elections Election Liaison Division, 8/31/2004

Office of Human Resources, 8/26/2004

DEPARTMENT OF TREASURY

Bureau of Local Government Services Property Tax Division, 3/31/2004

Office of Revenue & Tax Analysis, 5/12/2004

NORTHERN MICHIGAN UNIVERSITY, University Archives, 7/26/2004

Mr. Pavona moved that the Retention and Disposal Schedules be approved and adopted. The motion was supported by Ms. Shane and unanimously approved.

7. REPORTS AND RECOMMENDATIONS OF COMMITTEES:

(Please see the following pages)

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Ms. MacDowell presented the Finance and Claims Committee Report for the regular meeting of September 28, 2004. After review of the forgoing Finance and Claims Committee Report, Ms. MacDowell moved that the Finance and Claims Committee Report covering the regular meeting held September 28, 2004, be approved and adopted. The motion was supported by Ms. Shane and unanimously approved.

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Ms. MacDowell presented the Building Committee Report for the regular meeting of September 29, 2004. After review of the forgoing Building Committee Report, Ms. MacDowell moved that the Building Committee Report covering the regular meeting held September 29, 2004, be approved and adopted with Item 16 of the regular agenda re-written to explain that 18 properties will be transferred and Items 17-34 were withdrawn. The motion was supported by Ms. Profit and unanimously approved.

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Mr. Pavona presented the Transportation and Natural Resources Committee Report for the regular meeting of September 29, 2004. After review of the forgoing Transportation and Natural Resources Committee Report, Mr. Pavona moved that the Transportation and Natural Resources Committee Report covering the regular meeting held September 29, 2004, with the withdrawal at the State Administrative Board meeting of October 5, 2004 of Items 16 and 135 of the regular agenda, be approved and adopted. The motion was supported by Ms. Shane and was unanimously approved.

8. MOTIONS AND RESOLUTIONS:

None

9. ADJOURNMENT:

Mr. Pavona moved the meeting be adjourned. The motion was supported by Ms. MacDowell and unanimously approved. Mr. Keenan adjourned the meeting.

SECRETARY

CHAIRPERSON